

ENGINEERING DIRECTIVES AND STANDARDS

Volume : 1 Effective Date :
Chapter : 3 Revision Date : 08/19/1996
Section : 1 Subject : **REVIEW OF BIDS RECEIVED FOR CONSTRUCTION PROJECTS**
Directive : 2

1. **PURPOSE:** The purpose of this directive is to establish a standing committee responsible for conducting a review of bid prices received by the Department of Transportation and Development on construction projects. In addition, this directive sets forth standards to be followed during the review procedure and subsequent recommendations for acceptance or rejection of contractor bids based on submitted costs.
2. **SCOPE:** Committee responsibilities include the review of all bids received on construction projects in conjunction with individual cost estimates prepared prior to project letting. Function of the committee will be advisory only and will report directly to the DOTD Chief Engineer. The Bid Review Committee will also be responsible for evaluating cost estimates prepared by Department personnel and recommending corrective measures where needed.
3. **IMPLEMENTATION:** The Bid Review Committee hereby established will have permanent status, operate on a continuing basis, and meet each Monday (except for holidays) following letting date. The committee will consist of the following or their duly appointed representatives.

Contracts and Specifications Engineer Administrator
Road Design Engineer
Bridge Design Engineer
Chief, Construction Division
Contracts Management Administrator
Plan Review Engineer

The Bid Review Committee is authorized to request information or assistance from various sections of the Department when deemed necessary in the performance of its duties.

The committee's primary function will be to review bid prices received on construction projects for conformity with the Department's cost estimates determine the justification for bid acceptance or rejection, and report findings and recommendations to the DOTD Chief Engineer. In order to comply with these objectives, the procedures listed below shall be followed.

- a. Copies of bid tabulations for a given letting shall be furnished to each member of the committee by the Contracts Management Section as soon as they are available after the letting date. Each project will be reviewed by its respective section for compliance with the itemized cost estimate. Discrepancies will be noted prior to the committee meeting.
- b. When the low bid for a particular project overruns or underruns the cost estimate by more than the following specified amounts, examination will be made to determine possible reasons for lack of compliance:
 1. Federal Aid Projects - 7 percent overrun
 2. Other State Projects - 10 percent overrun
 3. All Projects (Federal Aid and State) - 15 percent underrun

Explanations shall be discussed at the scheduled committee meeting and made part of the official record at that time.

- c. The Committee's report to the Chief Engineer shall also contain recommendations for bid acceptance or rejection with documented explanation where applicable.

The Bid Review Committee is not authorized to make decisions concerning bid acceptance or rejection beyond the limitations of this directive. All actions of the committee in this respect shall consist of a report to the DOTD Chief Engineer who, in turn, will recommend to the Secretary of Transportation and Development final action to be taken. Committee actions are to be kept in the confidence of the Department until final notification is released by the Secretary.

A secondary function of the committee will be to evaluate cost estimates prepared by Department personnel for compliance with bid prices received. Any needed revisions to unit prices or procedures will be referred to individuals who prepare the cost estimates in order that those submitted in the future will take into account the latest information.

In addition, the committee will be responsible for reviewing new procedures and techniques developed for the purpose of improving the preparation of construction cost estimates. Recommendations regarding their use by the Department will be made by the DOTD Chief Engineer for approval.

4. **OTHER ISSUANCES AFFECTED:** All directives, memoranda or instructions issued heretofore in conflict with this directive are hereby rescinded.
5. **EFFECTIVE DATE:** This policy will become effective upon receipt of this.

R. E. DILLON
DOTD CHIEF ENGINEER